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U.S. DEPARTMENT OF
HEALTH AND HUMAN SERVICES
Office of Human Development Services
Administration for Children, Youth and Families
Children's Bureau

A New Day A New Way For Children

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Many thousands of these children have special needs such as those associated with physical or mental handicaps. Unable to be cared for by their families, these children have not been adopted because of the added expenses their special needs might incur. Yet there are many loving families who would adopt these children if they could afford to.

In recognition of the need to redirect the Nation's efforts toward

- strengthening families so that placing a child in foster care can be avoided, or
- if that is not possible, reuniting children who are in foster care with their families as soon as possible, or
- if that is not possible, placing children in loving, adoptive homes or in other appropriate permanent placements,

Congress, in June 1980, passed the Adoption Assistance and Child Welfare Act of 1980 (P.L. 96-272), and President Carter signed the program into law shortly thereafter. This new law is the product of more than 3 years of close cooperation between the Administration and the Congress; it represents a great step forward in meeting the needs of vulnerable children and their families.

What the New Law Means

Through Federal-State cooperation and assistance to families, for the first time:

- Financial incentives will be offered to States to redirect child welfare programs toward reuniting children with their families, or, if that is not possible, toward placing children in permanent homes.
- An inventory of all children in foster care for 6 months or longer and the development of a case tracking and management information system are two of the uses of these incentive funds.
- Federal aid will be available for the adoption of children with special needs, including older, handicapped, minority children, and children in sibling groups.
- States will establish an adoption assistance program no later than October 1, 1982.

In order for States to receive Federal assistance for foster care and to receive title IV-B funds if the IV-B appropriation is more than $141 million:

- All children in foster care for 6 months or longer must have an individual determination of the appropriateness of and necessity for the current placement.
- Each child in foster care must have a case plan designed to achieve placement in the least restrictive setting possible and in close proximity to the parent's home.
- There must be a dispositional hearing for each child in foster care within 18 months after placement to determine the most appropriate future for that child.

Federal and State Roles

The new law affects two major funding programs: title IV-A (Aid to Families with Dependent Children, AFDC) and title IV-B (Child Welfare Services, CWS). And it creates a new title IV-E program for foster care maintenance and adoption assistance.

Title IV-A Foster Care (AFDC-FC)

AFDC funding to States for foster care (approximately $210 million in FY 1979) will become part of a new title IV-E. Responsibility for the program moves from the Office of Family Assistance in the Social Security Administration to the Administration for Children, Youth and Families in the Office of Human Development Services.

Title IV-B (Child Welfare Services)

Funding for this program was $56.5 million in 1979. Although the new law provides for increases in funding, States will not be able to spend more than their share of the $56.5 million for foster care room and board. The new funds are to be used to improve services for children and families.

When the total funds for title IV-B exceed $141 million, States, in order to receive their share of the new funds, must offer children and families certain safeguards and services. These additional funds are designed to be used to prevent unnecessary placement of children in foster care or to reunite families; they may not be used to maintain children in foster care.

The year after funding has reached $266 million for 2 consecutive years, States will also provide services to prevent the need for placements.

The Secretary of Health and Human Services may make direct grants to Indian tribal organizations.

The Federal share of title IV-B matching funds increases to 75 percent for all States; the current rate ranges from 33-1/3 to 66-2/3 percent.

Title IV-E

This new title combines title IV-A foster care and a new open-ended entitlement to the States to assist them in providing subsidies to families who adopt children with special needs.

The same State agency will administer titles IV-B and E to insure a link between services and maintenance payments.

States **may** begin to participate in the IV-E program as early as October 1, 1980, and **must** participate by September 30, 1982.

Further information about Title I of the Adoption Assistance and Child Welfare Act of 1980 is available from:

Children's Bureau
Administration for Children, Youth and Families
P.O. Box 1182
Washington, D.C. 20013

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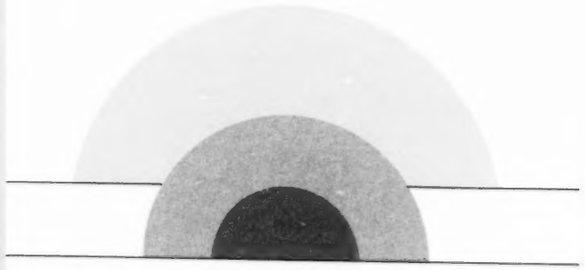
Some Background

Approximately 500,000 children now live in foster care. In the years from 1961 to 1977, the number of children in foster care served by public agencies increased from about 177,000 to 503,000. This occurred during the same time the population of children under age 18 decreased by more than 1.5 million.

It has been shown that if children in foster care do not return to their own families within the first year or two after placement, the chance that they will ever return home decreases substantially. Nearly 25 percent of the children in foster care today have been there for more than 6 years. In addition, many of these children and their families receive little meaningful attention from the agencies that place the children.



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